

BATTEN

PAISH SEES WORLD HEADED FOR EARLY FINANCIAL RUIN

Continued from First Page.

had exceeded their prewar production. A large increase in the membership of the association was taken to indicate a revival of the export trade that suffered so badly during the years following the war.

Barnes Sees America Puzzled.

The international debt question was discussed by Julius Barnes, president of the United States Chamber of Commerce, from the standpoint of the American business man, who, he said, was not satisfied that European nations had done all possible toward rehabilitation. The reduction or remission of the debt, he said, would depend in a large measure upon public opinion in this country and the amount of confidence the European nations would be able to regain.

Lewis E. Pierson, chairman of the board of the Irving National Bank, presided at the banking session. People of all walks of life, he said, should contribute their views so that the Government could determine upon a policy representative of the opinion of the nation.

Sir George said in part: "The men responsible for national and international policy after four years of opportunity have not only failed to find a solution for the economic and financial problems which the war created, but have rendered them, and are still rendering them, more difficult to solve."

"Prior to the war not only were all the nations solvent, but year by year they were increasing in well-being. There were a great many national debts and there was a large amount of international debt, but rarely did nations experience any difficulty in meeting either their national or their international obligations. The densely peopled nations of Europe were able to sell sufficient manufactured goods to obtain the services to the world in general to enable them to supplement their own supplies by large purchases of food and raw materials from other nations, while the countries with power to produce food and raw materials beyond their own needs were able to sell their surpluses in exchange for the manufactured goods and services they required in return."

"The willingness of the manufacturing nations to supply capital to nations that needed it not only created an ever-increasing supply of food and raw materials, but enabled the manufacturing nations to expand their own productions and to find a ready market for them. It is essential to note that this foreign capital was usually invested in countries from which the lending countries desired to obtain supplies of food and raw materials, so that the borrowing nations had no difficulty in selling the products which the foreign capital helped them to produce. Thus the borrowing nations met with no obstacle to the payment by them of interest and dividends to the lending nations; in other words, they had no difficulty in selling sufficient of their products to the creditor nations in order to meet their interest payments."

"The amount of international debt, that is, capital invested by various nations in other nations prior to the war was about \$8,000,000,000, carrying a combined interest and dividend charge of some \$400,000,000 a year. The remittance of new capital from the lending creditor nations year by year greatly added to the volume and value of the exports of these countries, while the receipt of interest and dividends greatly added to the volume and value of their imports. Had the lending nations refused to purchase the products of the borrowing nations they could not have received their interest and dividends, and had they refused to grant loans to them they could not have sold their products, except to a very inadequate extent. Nations can pay each other only as they can find markets for their goods, for their services or for their securities. "For the purpose of international trade, gold is used mainly to balance, and no great sums can be paid in gold. Prior to the war the nations were able to sell to each other enough produce and goods not only to pay for other produce and other goods they needed to buy, but to pay for interest and services. Also, the lending nations were able to sell enough goods abroad to enable them to buy all they required to buy from other nations and also to invest abroad large sums of capital year by year."

"It is necessary to realize clearly that the investment of new capital by the manufacturing nations in the agricultural and other nations expanded their exports and the receipt of the interest on this capital expanded their imports. "Prior to the war Great Britain had loaned to other nations a sum of about four thousand million pounds (\$20,000,000,000). This capital was placed in the United States, in Canada, in South America, in Australia, in South Africa, in India and elsewhere. The interest upon this sum gave Great Britain power to buy about two hundred million pounds (\$1,000,000,000) worth of produce annually from those borrowing nations."

British Buying Exceeded Sales. "Before the war Great Britain bought from the United States on an average of about \$120,000,000 worth of produce, while America bought from Great Britain only \$20,000,000 of British goods. America bought an extra \$20,000,000 of colonial and foreign produce from Great Britain, such as raw wool, etc. Hence British purchases from America exceeded her sales to America by no less than \$80,000,000 sterling. With this balance in America's favor, it is realized that the latter had no difficulty in meeting the sum of about \$30,000,000 a year which she owed to Great Britain for interest and dividends. Somewhat similar conditions prevailed with regard to the other countries to which Great Britain had loaned large sums of capital."

"It is quite true that in the early 80's Prince Bismarck did object to the receipt of Russian food supplies in payment of Russian interest obligations to Germany, and that he endeavored by means of a high tariff upon food and other produce to keep out the Russian supplies. He did not, however, succeed in doing so, although he did succeed in turning Russia from a friend into an enemy."

"But so far as Great Britain is concerned she has never for one moment raised any barriers to the importation of the produce which the borrowing nations needed to sell to her in order to meet their interest obligations."

"Moreover, the policy that she pursued in this respect of placing her capital in countries which could greatly

expand their productive power has been one of the great forces which have contributed to the extraordinary expansion both in the foreign and home trade of Great Britain, as well as to the wonderful expansion both in her own wealth and in the wealth of other nations which has occurred in the long period since she initiated this policy."

"There is, indeed, no limit either to the foreign or home trade of a nation which is willing to sell its own goods to the world either for cash or on credit, at the same time willing to accept payment for her goods in the productions of other countries and especially in the productions of the nations to which credit is granted."

"The realization of this fact in increasing measure has induced both France and Germany to imitate Great Britain in modern times, and to ingest an ever increasing amount of their national capital in other lands. Furthermore, it has been the realization of the advantages of foreign investments in promoting their export trade that has induced the United States of America in recent years to lend so freely not only to the Entente nations but to practically every nation that came to her aid and possessed the requisite credit. Unfortunately, however, neither Germany, nor France, nor the United States has sufficiently recognized the wisdom of expanding its imports as its export trade, and its income from foreign investments have expanded."

Lent to Build, Not Destroy.

"It is now necessary to state the position of the nations in order to ascertain the effect upon the nations of the war disturbances and all that has happened since the war, and also to discover the reasons why the nations are now in the position in which they are. It is now necessary to know the reasons why the nations are now in the position in which they are. It is now necessary to know the reasons why the nations are now in the position in which they are."

"The debt that was created between nations prior to the war was all but a minute part debt incurred in order to create wealth, not to destroy it. The debt of Canada, South America, Australia, India and of other countries was mainly created for a similar purpose. Germany to Russia were spent mainly on the building of the Russian railway system, which greatly contributed to Russia's production of foodstuffs and to her well-being. There was a fact wealth created against the debts. That was productive power, and with it both selling power and buying power, so that the investment of the capital in new markets as well as new supplies."

"In the period of eight years from 1914 to 1922 nearly as much international debt had been created as in all the past. The United States in this period sold goods against credit or securities of one kind or another to the extent of some four thousand million sterling, while Great Britain granted credit to the Entente and other nations to the extent of not far short of three thousand millions sterling. It is in fact that Great Britain incurred a large foreign debt and sold securities in foreign markets which must be reckoned as a debt to the credit she has granted. Nevertheless, the fact remains that Great Britain has granted foreign credit during the period of nearly three thousand millions sterling, while the United States has granted credit for the purchase of securities to the extent of some four thousand millions sterling since the war began."

"If allowance be made for the resale of American securities to America, Japanese securities to Japan, etc., it is evident that the amount of international debt has been increased from about a thousand million sterling prior to the war to some thirteen thousand millions at the present time. Unless this new debt had been created neither the United States nor Great Britain could have sold its products nor realized the prices for them which they did realize. The granting of this credit, in fact, immensely increased the export of both the United States and of Great Britain during the period."

New Debt for Destruction. "Unfortunately, however, the new debt has not been incurred for productive purposes. Indeed, instead of assisting the nations to become richer, to produce more freely, to sell more and to buy more, it has contributed to the work of destroying their productive power, reducing their selling power and, with it, greatly reducing their buying power. It has, therefore, had a contrary influence to that exercised by another prior to the war."

"Nor is this the full extent of the mischief. This war debt has been incurred by the manufacturing or creditor nations to other manufacturing or creditor nations, and these creditor nations did not desire to be paid in the goods of the borrowing nations. Therefore, the loans granted since 1914 have reduced and have not increased the selling and buying power of the nations that have loaned. Furthermore, the latter are placed under the necessity of buying still greater quantities of foreign produce than they did before the war. On the other hand, the nations which are in debt are unable to sell their products in order to meet the interest on the obligations they incurred."

"Even this statement of the situation is not complete. Prior to the war the continental nations received large quantities of food from Russia in payment of interest, while they enjoyed a considerable market in Russia for their goods, which enabled them to purchase still greater quantities of food and materials from the Russian people. These Russian supplies of food and materials were entirely lacking in the Russian market for European goods has also completely disappeared."

Germany Can't Pay Debt. "Nor is this the full statement of the circumstances and difficulty which the war has created. Beyond the debts incurred in the purchase of American and British products by the European nations during and since the war, a great foreign debt has been placed upon Germany for reparations a debt so great that it is entirely beyond her power to meet. The sum is, indeed, so great that it has destroyed whatever power she would otherwise have possessed of assisting the war injured nations to obtain the credit they needed for the purpose of reconstruction."

"Thus at the present moment what prior to the war were some of the great creditor nations of the world have become impoverished debtor nations, lacking power to produce enough things with which to buy the food and raw materials they require, leaving aside their need to produce and to sell greater quantities than ever in order to pay their obligations for interest and reparations."

"In the debtor nations I do not include Great Britain. Great Britain is still the greatest creditor nation of the

POINTS IN PAISH'S ANALYSIS OF INTERNATIONAL CREDITS

AMERICANS WILL AID TO STABILIZE MARK

GREAT BRITAIN is still the greatest creditor nation of the world.

The statement of all nations are engaged in a common effort to prevent the nations from meeting their obligations to each other and thus reducing the whole world to bankruptcy.

Great Britain has always been not only willing but anxious to increase both the productive and selling power of a nation in order to assist that nation to meet its obligations.

The very fact that up to the war America was a debtor nation and was consequently more anxious to sell than to buy has prevented the American people from realizing that the extraordinary change which the war has effected in their fortunes by converting them from a debtor to a creditor nation demands a change in their point of view.

If allowance be made for the resale of American securities to America, etc., it is evident that the amount of international debt has been increased from about eight thousand million pounds sterling prior to the war to some thirteen thousand millions at the present time.

The American Government is endeavoring to prevent the debtor nations from meeting their obligations to America.

world. After allowing for the resale to America of securities and for the debt which she has incurred she has over five thousand millions sterling of foreign investments in comparison with a net sum of somewhat over three thousand millions sterling of foreign investments which America now possesses.

"It is quite true that of her present foreign investments some two thousand millions sterling are doubtful, the money having been lent to the war injured nations of Europe, more particularly France, Italy and Russia, but even if these investments are entirely deducted Great Britain still possesses some three thousand millions sterling of good foreign investments, whereas of her three thousand millions sterling of foreign securities which America now possesses at least one thousand millions sterling are doubtful in the same way as the British investments are doubtful. If allowance be made for this the good foreign investments of America are about two thousand millions."

Still Other Factors Count.

"Were this the complete story the difficulties in the world situation would not present such insuperable obstacles to recovery as the nations are now faced with."

"Great Britain has been a creditor nation for many generations and understands that it carries with it responsibilities as well as privileges, and that her credits are to be good she must help to promote the productive power and the well-being of the nations to which she has advanced so large a percentage of her total capital."

"The British people are willing, as I have previously explained, to give a free market in Great Britain to the produce and goods of the debtor nations and to produce with the utmost freedom. In order to do this her population and her increasing wealth must be able to produce the goods that she purchases in order that her people may be sustained. Consequently the nations debtor to Great Britain do not require to convert the question of whether or not they can dispose of their products. All they have to consider is whether they can produce enough for sale at world prices which will enable them to meet their obligations."

"On the other hand, the very fact that up to the war America was a debtor nation and was consequently more anxious to sell than to buy has prevented the American people from realizing that the extraordinary change which the war has effected in their fortunes by converting them from a debtor to a creditor nation demands a change in their point of view."

"Clearly a creditor nation with a large income from foreign investments must be willing to buy more than it sells in order to receive payment for the interest due to it. The produce may come in as imports or it may be consumed abroad by its tourists, but in some way or other a creditor nation must be willing to take payment of the produce it is still selling and of the interest which is due to it in the goods and services of other nations or it cannot be paid."

"A nation may be quite solvent, indeed quite willing and able to make payment, but if a creditor nation refuses to accept payment either in goods or in services then it is difficult for payment to be made. A creditor nation may for a time accept securities in payment of interest, but that merely means that its foreign capital account is accumulating at compound rates and that ultimately it will be entitled to receive a still greater quantity of foreign produce and services in exchange for its own produce and in payment for the interest due to her."

British Goods Needed Most.

"The suggestion has been made with regard to Great Britain, which owes to the United States Government a debt of about a thousand millions sterling, that payment should be made in the present form of her debt a thousand millions sterling of Canadian, Argentine, Australian, Indian, South African or other securities and the debt could be paid off."

"But this would not solve the problem. It would definitely deliver Great Britain from its obligation, but it would not make any essential change in the situation. America does not need to purchase the products of the countries in which Great Britain places so much of her produce and more than that she needs the products of Great Britain. Indeed she needs them less. Canada pays Great Britain for her interest in wheat; America does not need the Canadian wheat. Canada would still have to sell her wheat to Great Britain in order to pay the interest due, and Great Britain, which needs Canada's wheat, would still be faced with the task of remitting the necessary funds to the United States to meet interest payments. The same situation is equally true of Argentina."

"Thus the difficulties of Great Britain in making payment to the United States for produce purchased and for interest upon her debt are the same. Indeed it is clear that whatever method is adopted of repaying the debt of Great Britain to America the difficulties will remain until America is willing to accept payment either in goods or services for the interest and principal due to her."

"It is not essential that America should buy British goods. It is, however, essential that she should buy the products of some nation; it may be rubber or tea or wool or gold or silver or tin or something that she requires the purchase of which would give the seller of the goods the power to buy the goods which Great Britain would need to sell in order to make payment of the sum due to America."

"At the present moment Great Britain is paying the United States Government the interest due on its debt in gold, and the stock of gold in America is now becoming so great that the American Government is again placing it in circulation in the form of gold certificates. In other words, America does not need the

W. C. Potter of Guaranty Trust and Prof. Jenks of Cornell Among Experts.

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Another American financial expert who will be invited to come to Berlin to discuss practical means for the stabilization of the mark will be William C. Potter, president of the Guaranty Trust Company of New York. He is now in Paris. The other American mentioned is Prof. Jeremiah U. Jenks of Cornell and New York University and financial adviser to the Chinese Government.

Prof. Jenks is now in Berlin as an expert. Prof. Gustav Cassel of Sweden and Dr. G. Vissering, president of the Netherlands Bank, who together with Dr. T. F. M. de Hollander are the other experts invited.

Since the Reparations Commission will arrive here Monday it is hoped to hold a conference of the experts before the end of the coming week in order to prepare some definite proposals. It is reported that the Commission will ask, among other things, a larger delivery of coal, whereas the Berlin Government is to ask for a reduction of the amount now sent.

BEKLIN, Oct. 25 (Associated Press).—The first days of November, which once brought revolution to Germany, may prove as fruitful in the opinion of newspaper comment on the simultaneous announcements that Germany has invited foreign financial experts to advise her on the question of stabilizing the mark and that the Reparations Commission also is coming.

The coincidence of the two latest developments in Germany's turbulent financial situation, says the *Boersse Courier*, makes "it look as if the authorities on both sides were trying to beat each other to it" on some definite decision. It holds that the Government's invitation to the international experts is at least a clever political move, as the fact that representatives of outside Powers have been asked to look over conditions for Germany later to oppose financial supervision.

The *Local Anzeiger* believes the inviting of foreign experts to Germany will retard rather than expedite improvement in the mark. It declares that the best German advice must already have been summoned. It calls attention, however, to the fact that the visitors who have been invited to discuss the situation are neutral and unbiased politically.

The *Tageblatt* says it understands the invitation was issued after feelers had been put out abroad, and that preparations for the study by these experts of the situation have long been under way.

GREEK TRIBUNAL WILL TRY FORMER OFFICIALS

Prince Andrew Questioned on Conduct in Anatolia.

LONDON, Oct. 25.—A despatch to the Central News from Athens says that George P. Baltazis, former Foreign Minister, M. Stais, once Minister of the Interior, and M. Bozakis, former Governor of Thrace, were arrested to-day after the publication of the revolutionary committee's decree establishing a tribunal to try political and military prisoners in connection with the defeat of the Greek forces in Asia Minor.

ATHENS, Oct. 25.—Former governmental officers and military chiefs arrested by the revolutionists when Constantine was overthrown will be tried by an extraordinary court-martial. An investigator has been sent to Corfu to question Prince Andrew, brother of Constantine, on the charge that, while at the head of an army corps in Asia Minor, he refused to execute an order, thus contributing to the disaster to the Greek army.

THE STORY OF REVILLON FURS



The Toy Sled

For nine months in the year it is good sledding in the Arctic but little Eskimos enjoy their sleds as much as boys of temperate climates who use them more rarely. Long before the young Eskimo is grown he knows how to harness dogs and "mush" over the snow fields. The little sledgy puppy gets his first training, and not very gently, at the hands of the Eskimo boy who is his inseparable companion.

No. 114—Life at a Revillon Post

Revillon Freres
Fifth Avenue at 53rd Street

BATTEN

How long should this advertisement be?

FOR every kind of advertisement there is a proper length, and this length can be determined in advance.

For instance, the thought that this advertisement is designed to convey will require about two hundred and fifty words, and set in twelve-point Caslon type, will, with its heading, signature, etc., occupy about twelve inches on three columns.

We know this because we have done work of this sort for years. Also, we know it for another reason that is not empiric.

There are certain facts that can be established about every advertising campaign before a line of copy is written. Advertising is usually based on the qualities of the thing advertised, the results of using it, or the results of lacking it. Different articles need to be presented in different ways.

The main avenue of approach may be pictorial or verbal; the appeal may be emotional or logical, direct or indirect.

Deciding these points is a matter of knowing the reasons why people buy things and why certain other people ought to buy them.

Knowing these facts, and quite a number of others of equal importance, enables us to arrive pretty accurately at what a group of advertisements should be like before any one begins to write them.

The forms and blanks which we have devised to outline these methods and to prevent mistakes before they are made, make an interesting study for any advertiser or any man who is considering advertising.

We will show them and explain them to any business executive whom they would be likely to interest.

ONCE a month, or more frequently, we issue a publication called Batten's Wedge. Each issue is devoted to a single editorial on some phase of business. If you are a business executive and would like to receive copies, write us.

George Batten Company, Inc.

Advertising

Boston
10 State Street

381 Fourth Avenue
New York

Chicago
McCormick Bldg.

Moulding favorable public opinion for articles or services that deserve it

Fills Executive and Secretarial Positions Satisfactorily

HERBERT L. FURMAN
31 E. 27 St.
N. Y. C.

October 6th, 1922.

The New York Herald,
280 Broadway,
New York City.

Gentlemen:-

Having had occasion to run several advertisements under the Help Wanted classifications in The New York Herald for executive and secretarial help, I find the results very satisfactory from every point of view. All applicants were of a superior type which enabled me to fill every position with success.

I can and I do highly recommend your publication to anyone wishing to advertise under the above classification.

Very truly yours,

(signed) Herbert L. Furman

THE NEW YORK HERALD
280 Broadway Telephone Worth 10,000